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UNEMPLOYMENT: Half a million more in January

More than 17 million are unemployed in the European Community.

1987 got off to a rather bad start as regards unemployment in the 12-nation European Community: another 516,000 found themselves joining the already very long dole queue in January. This marked an increase of 3.1% over December, according to the European Community's statistical office, Eurostat. For the first time, the number of registered unemployed crossed the 17-million mark, to reach 17.1 million for the Community as a whole.

Much of this increase was described as seasonal by Eurostat, especially in the case of the Community's northern members. However, the number of registered unemployed this January was 196,000 higher than in January 1986, amounting to an increase of 1.2% in one year. Moreover, all Community countries, with the exception of Belgium, were affected by the increase in January.

Male unemployment rose in January, as it usually does. This year it was up 4.6%, as against a rise of 1.2% in the case of female unemployment. However, while male unemployment fell by 0.5% over the 12-month period, female unemployment rose.

INFLATION: Prices rise in January ...

... but the slowdown over the 12-month period continues.

Prices rose somewhat faster in January, after three months of relative stability. The rise was of 0.4% in the 12-nation European Community as a whole, as against only 0.2% during each of the last three months of 1986.

Most member states witnessed a sharp rise in January, according to the Community's statistical office, Eurostat. The largest increases were recorded in Portugal and Greece: 1.2% and 1.1% respectively. But inflation was also higher in France (0.9%), Spain (0.7%) and Italy (0.6%). Even so, prices fell in at least one Community country, the Netherlands.

Prices in the 12-nation Community rose 2.7% in the 12 months ending this January, as against a rise of 2.9% in the 12 months to December 1986 and 5.3% in the 12 months to December 1985. However, despite this improvement, inflation is running at a higher rate in the Community than in the United States and Japan, its major competitors. Inflation in Japan was -0.8% in the 12 months to January and 1.1% in the United States (in 1986).

AGRICULTURE: Once gone, the "mountains" will not rise again

The new measures to deal with surpluses will change the face of European agriculture.

The agricultural ministers of the 12-nation European Community decided last month to clear out their stocks of surplus butter. They have now agreed on measures to prevent the re-emergence of the butter mountain. They have also adopted a series of measures which should gradually change the Community's agricultural landscape, with the shift in emphasis from quantity to quality and to the environment.

To cut back milk production at the source, the Twelve have agreed to strengthen the quota system they introduced in 1984. The measures now adopted should result in a fall in production of 9.5% over 1987 and 1988. Compensation will be paid to the least well off farmers.

Milk producers will no longer be able to sell all they want to the intervention authorities at guaranteed prices, as the system will be operated to keep intervention buying within fixed limits. This should prevent the butter and skimmed milk mountains from reforming. This is the first time the Community has taken such measures, as was stressed by the European Agricultural Commissioner, Frans Andriessen.

In addition, as part of the overall reform of the common agricultural policy (CAP), the agricultural ministers agreed to provide financial aid for a total of ECU 350m.\* over three years. Farmers who agree to reduce production through changes in their farming methods will be paid compensation. The products covered by this measure are those in surplus, such as veal, beef and wine.

Farmers who safeguard the environment in "sensitive" areas will also be entitled to financial aid, while hill farmers and those in other poor regions will receive new forms of aid.

The Twelve rejected, however, the European Commission's proposal for early retirement for all farmers over 55 years of age. The latter has not abandoned the idea altogether. It would like to limit income support given by the member governments and in fact envisages a European system of direct aid to farmers. Early retirement could be an element of it.

\* 1 ECU = UK£ 0.74 or IR£ 0.78

#### FARM ANIMALS: Ensuring their welfare

The European Parliament wants better living conditions for veal calves, laying hens and sows.

A diet rich in iron for veal calves, straw for sows and more space for all farm animals, including laying hens, as well as better conditions for their transport, are among the requirements the European Parliament wants to impose on farmers from the Shetlands to the island of Crete.

In a resolution which they adopted on February 20, the Euro-MPs have asked the European Commission to make sure that the existing Community directives on animal welfare are fully respected, and to propose new ones, which would guarantee veal calves, pigs and hens more acceptable living conditions.

Love of animals is not the only motive; the European Parliament has put forward economic and political arguments to back its demands. In a genuine common market animal welfare standards must be the same everywhere, for they determine the conditions under which meat, eggs and other animal products, which account for over half the European Community's total agricultural output, are produced.

If all Community producers are to compete on an equal footing, the animal welfare standards they must conform to must be the same for all of them. But the European Parliament wants national standards harmonized on the basis of the most demanding of them, so that countries with very high standards are not penalised.

In order to ensure better compliance with the existing Community regulations the European Parliament wants a European inspectorate to be set up, to monitor international trade in live animals, and more particularly their transport. The Euro-MPs in fact favour the introduction of special standards for the design and construction of vehicles for the transport of farm livestock. They also want journeys without food, water and rest to be limited to 24 hours.

The European Parliament is also seeking an end to the close confinement of veal calves and sows and the gradual phasing out of the battery cage system for laying hens. It would like the European Commission to study the effects these new standards would have on quality, agricultural surpluses and prices.

DEVELOPING COUNTRIES: Cheap raw materials and a staggering debt burden

The European Parliament calls on the EC to tackle both problems decisively.

Many poor countries are heavily in debt to the rich. And as they are earning less from their exports of raw materials, they are falling behind with their repayments. While these two problems are not the only ones facing developing countries, they have assumed dramatic proportions.

During its February session the European Parliament called on the 12-nation European Community to be both more generous and imaginative in solving these problems. Exports of agricultural commodities and raw materials account for nearly 90% of the export earnings of some 40 developing countries, according to the report by the Dutch Euro-MP, Robert Cohen. But world raw material prices have been falling in recent years: from 100 in 1980, the price index had fallen to 72 in 1985. Metal prices have been especially hard hit.

At first sight, the industrialised countries have profited from falling raw material prices, which have meant lower production costs for their industries and lower prices in the shops. The rich countries have saved twice as much as they have given the developing countries in official aid, according to Mr Cohen.

But the poor countries cannot import as much from developed countries if their incomes are falling and their debts rising. There are a number of reasons for the debt burden of the poorer countries, as another Dutch Euro-MP, Willem Vergeer, has pointed out in his report. They include not only falling raw material prices but also high interest rates, the ups and downs of the U.S. dollar and military spending.

The European Parliament believes the rich countries have yet to respond suitably to the debt problem. It wants the Twelve to contribute to the reduction in interest rates and to convert certain loans into grants, bonds or even equities. Parliament also wants the Community to lend in ECU hereafter, although some 80% of the existing debt burden of developing countries is in U.S. dollars.

As for raw material prices, the European Parliament favours international agreements aimed at stabilizing them.

EMPLOYMENT: ECU 40m.\* for a 10-point programme

The European Commission's action programme to prepare young Europeans for adult and professional life.

Some ECU 40m. are to be spent over the next five years improving and diversifying the education and training of those Europeans between the ages of 14 and 25 who wish it. In fact there are some 53 million young people within this age group in the European Community, and the action programme adopted by the European Commission is in line with the call by the 1985 Milan summit of European heads of state and government to give concrete shape to the measures in favour of young people contained in the Adonnino report on the People's Europe.

The Commission's 10-point programme provides for the creation of a European network of training partnerships linking projects in the different member states, in order to mobilize all the resources of the public and private sectors as well as the various associations, with a view to providing a cooperative or integrated response to the needs of young people for vocational guidance and training.

The Community's financial backing could amount to ECU 30,000 for each such partnership, for a maximum of two years. Financial aid would also be available for projects involving an exchange of experiences, for up to 50% of their cost. As regards technical assistance in the field of vocational training, Community aid up to a maximum of ECU 50,000 per project is foreseen, while programmes of comparative research will receive up to ECU 40,000 each.

A financial contribution of some ECU 50,000 per project will allow detailed examination of specific problems relating to the integration of young people in difficulties and of those living in rural areas, as well as the marginalized and disadvantaged. ECU 10,000 will be provided for every project which seeks to develop information strategies to facilitate the social and professional integration of young people, while the same amount will be available for initiatives by the young themselves, aimed at developing their capacity to undertake the use of new medias and new technologies, as well as unpaid work undertaken together or useful to the Community.

In order that a regular dialogue be initiated, to ensure the success and continuity of the entire programme, Community aid amounting to ECU 100,000, up to 50% of their cost, will enable the organisation of a series of high level conferences.

\* 1 ECU = UK£ 0.76 or IR£ 0.78.

ENVIRONMENT: Cleaning up the air we breathe

A European Commission proposal to phase out sales of leaded petrol.

Many modern cars which run on low-octane regular petrol will run just as well on unleaded petrol, something which most motorists are unaware of. Even vehicles using leaded petrol could run on lead-free regular petrol three-quarters of the time without the risk of excessive engine wear, provided the motorist switched to unleaded premium grade for the rest of the time.

It only remains, therefore, to encourage the use of unleaded petrol. To this end the European Commission has sent the European Community's Council of Ministers a proposal allowing the member states to ban the marketing of regular leaded petrol after six months' notice had been given.

Its three main benefits are: (1) garages need stock fewer grades of petrol and this should encourage them to carry unleaded petrol also; (2) this, in turn, would encourage motorists whose cars can run on unleaded petrol to use it and (3) the general availability of unleaded petrol would lead to the more widespread use of cars fitted with catalytic converters, which require unleaded petrol.

True, there is a virtual agreement making the use of catalytic converters mandatory from 1 October 1989, for all new cars with an engine capacity of more than two litres. It is equally true that there has been a certain amount of consumer resistance, due not only to the higher prices but also to fears as to the availability of unleaded petrol, which inevitably has rubbed off on manufacturers. It must be remembered that leaded petrol damages the catalytic converter.

The same agreement also provides for stricter standards for other vehicles, to ensure that all cars can run on unleaded petrol. Hence the need to increase the number of petrol stations at which it is available.

In both Germany and the Netherlands unleaded regular petrol is already widely available (at some 10,000 and 8,800 petrol stations respectively). Elsewhere, unleaded premium grade petrol is now available, notably in Denmark, at some 900 outlets.

The oil companies are ready to meet the demand for unleaded petrol throughout Europe, once it manifests itself. The measures now put forward by the European Commission could make a decisive contribution, therefore, to a reduction in the use of leaded petrol and, consequently, to cleaner air.

LEBANON: The continuing tragedy

The European Commission gives ECU 2.7m. in emergency aid.

To the people of Lebanon, victims of a long, undeclared war, the only aid that can be offered is humanitarian. Following the latest outbreak of fighting, the United Nations Relief and Works Agency (UNRWA) has launched a fresh appeal for international aid to meet the most urgent needs of the Palestinians.

But they are not the only victims: the Lebanese living around the camps are as much victims of events. Nor must one lose sight of the fact that the continued deterioration of the Lebanese economy, and the sharp fall in the value of its currency, are reducing a growing section of the population as a whole to a state of misery. The Red Cross and the United Nations Disaster Relief Office (UNDRO) have appealed to Brussels for help.

In reply, the European Commission has decided on an ECU 2.7m. package of emergency aid. ECU 1.6m. of this will provide food rations for three months as well as medicines and other basic items. The Lebanese Red Cross will receive ECU 700,000 to buy food packages locally, while ECU 400,000 will go to UNDRO for medical equipment and products, milk and baby food, water supplies and sanitary facilities.

Since December 23 the European Commission has already given ECU 1.4m. in aid to Lebanon.

\* 1 ECU = UK£ 0.76 or IR£ 0.78.



### IMAGE BUILDING: A symbol for olive oil

A Sicilian wins a competition organised by the European Commission.

Modern Europe has its roots in that Mediterranean civilisation which used to be identified with the olive tree and the vine. It is only natural, therefore, that the European Community should want to gild the symbol of its culture and its origins represented by olive oil.

Doctors everywhere agree that it is the healthiest of oils, which can be consumed either raw or cooked, and they strongly recommend it to all who want to avoid heart disease as well as any one of a thousand other bodily ailments. Gourmets sing its praises and the best of them can distinguish the characteristics of different kinds of olive oil and trace them to their origins.

The olive tree, not surprisingly, was the very symbol of wisdom, peace, abundance and glory for the ancient Greeks and Romans. Italy, Greece, Spain, Portugal and France have been nourished by the culture that grew up in its shade.

The picture, alas, is no longer quite as idyllic as before. High production costs, and therefore high retail prices, have meant a turning away from olive oil to other, less noble if cheaper oils, thus threatening the very roots of this ancient culture.

The European Commission, which launches a Community-wide campaign in favour of olive oil every two years, decided in 1986 to organise a competition with the two-fold aim of (1) choosing a symbol to convey the message "Community olive oil" and (2) using the competition itself to alert everyone, young and old, to the Community's activities.

The competition was a big success. Some 850 designs were received from all over the Community. No one will be surprised to learn that it was won by a Sicilian, Vincenzo Crisafulli. After all, Sicily was once a Greek colony and the olive tree was dedicated to Athene, the Greek goddess of wisdom, the arts and handicrafts. What could be more fitting than Mr Crisafulli's success!